



FINANCE ADVISORY COMMITTEE
TOWN OF DUNSTABLE
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Greetings from Dunstable Advisory Board,

This letter is being presented to give you an insight into the budget process and the proposed 2009 budget we are recommending. This budget will be presented at the Annual Town Meeting on May 12, 2008. Attached are a PDF presentation and an Excel spread sheet with the proposed budget. Later in this letter are explanations for each slide in the PDF file.

We have been working through the budget process all year. It has become very clear that the Town, State and Country are in a very difficult financial crisis. The dollar is loosing value, the costs for fuel, energy and goods are rising at unprecedented rates. This has led us to reduce our anticipated revenue's for 2009 twice during the budget process. We are currently running at a potential \$40,000.00 deficit for revenue for fiscal 2008. It has been the goal of the board to try and maintain town services without having an operating budget over ride for fiscal 2009. This has proven to be a very difficult task. We are asking the department heads to live within a very Spartan budget recommendation, and do the best they can with the little funds they have available.

It should be noted that while there is always the temptation to suggest that there are places to cut a budget, in fact the Town of Dunstable has always run a very lean business. We have had a level staff in the Town Hall for a number of years, the Police barely have enough officers to provide 24/7 coverage, and the Highway Department has only two full time people to take care of our 54 miles of roads. Our Fire Department is still a call volunteer organization, with a paid Chief's position. Last year we cut hours for the Library, reduced hours worked in other areas and did not give any raises to all municipal employees. This was a very lean budget for 2008, and is even more so in the proposed 2009 budget, when you consider the current inflation trends.

Lastly, we experienced a very difficult winter with regard to the snow removal account. We typically budget \$91,000.00 toward snow removal. This year because of the heavy snow fall and the length of the winter season with regard to an early snow season, we had emergency snow authorizations of an **additional \$214,000.00**

dollars. In years past we would fund these authorizations with free cash or excess funds from some accounts. This year the amount is so significant, we can not fund in the normal manner. The emergency authorization allows the town to pay the bills but does not exclude the amount from proposition 2 ½. At this time we are going to delay action on this debt, until we close out the fiscal year. In the fall we will have a clearer understanding of our financial situation and hold a special Town Meeting in the fall. There is some consideration at the State level to provide some snow relief funding; we will also know our certified free cash at this time. There is also the possibility of needing an over ride to remain with in the Proposition 2 ½ guidelines, should the above funding not be available or sufficient to cover.

In closing, we ask that you read the following explanations to the PDF file and review the budget spread sheet. We will do the best we can to answer any question possible, prior to the Town Meeting. We can not stress enough, the need to keep this budget balanced. We respectfully ask you consider our recommendations to be the best alternatives possible, with the entire budget in mind. Any changes to a budget line item (an increase) at Town Meeting must be off set with a decrease to another line item to keep our budget balanced. Please contact the board with any concerns. We will have our last regular meeting before the Town Meeting on Monday May 5, at 7:00pm. Thank you for your consideration of these budget requests, and we look forward to your participation at Town Meeting.

Respectfully,

Dana Metzler
Chairman Dunstable Advisory Board.

PDF presentation Summary

Slide 1: Cover page

Slide 2: This slide explains the issues that drove the revenue anticipated numbers. We are receiving less from the State, our new growth numbers are significantly down as new home building permits are in the single digits. Our revenues from excise taxes are lower as people are not buying new cars.

Slide 3: This slide shows our anticipated revenue, the requested budget amounts and our recommended amounts. The bottom line shows the total deficit for requested amounts and the balanced recommended amounts.

Slide 4: This slide compares the 2008 revenue and the 2009 revenue. This allows you to see the anticipated drop in expected income for the Town.

Slide 5: The chart shows the delta in revenue and budget request. If you notice the amount recommended for 2009 is higher than revenues available. We plan to balance this by applying \$94,600.00 of free cash to the budget. In 2006 we only had \$38,000.00 of free cash certified. In 2007 we had an additional \$150,000.00 of free cash certified for a total of \$188,000.00 free cash at year end. We need to hold back at least the \$88,000.00 to ensure we can cover any revenue shortfall in 2008. It is not a very prudent decision to apply free cash to the operating budget, but we had no choice with out eliminating positions. The issue here is, if we do not generate this amount of free cash next fall, or additional revenues, we will not be able to sustain the current budget in 2010 with out an over ride or cuts in personnel.

Slide 7: Closing comments

Also attached is the line item of all budget items to be voted on at Town Meeting. This attachment has voted numbers for 2006, 2007 & 2008 along with the requested amounts by departments and recommended amounts by Fincom.